

## Donor Coordination in Mozambique:

THE KEY TO EXPANDING A SUCCESSFUL PROGRAM

In 2006, the number of people receiving anti-retroviral treatment at Mozambique's Ministry of Health sites more than doubled. This significant increase is the result of an unprecedented level of funding coordination between the Mozambican government and key donors.

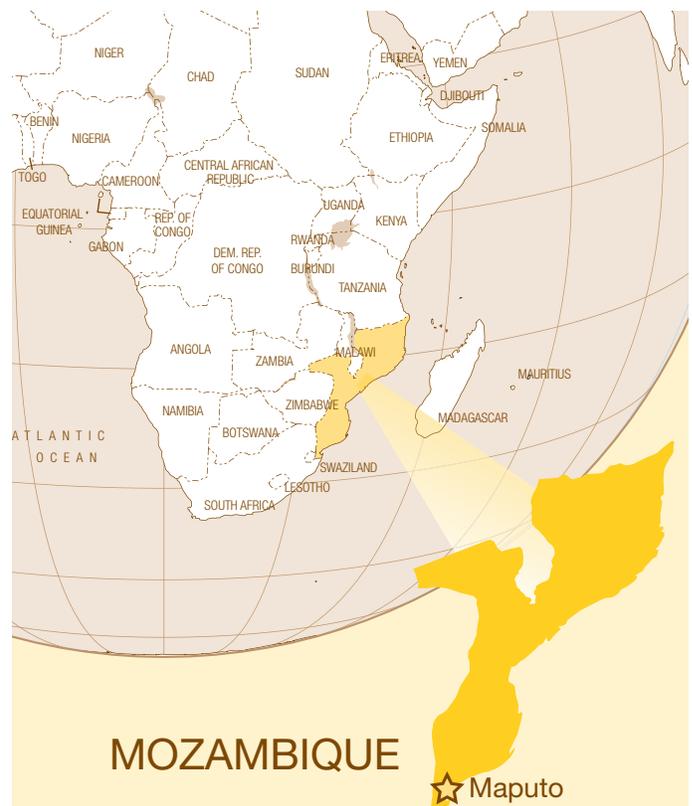
### Introduction

Improving public health requires an uninterrupted supply of essential medicines and other health commodities that reach warehouses, hospitals, service delivery points and, ultimately, every patient who needs them. Expanding health programs to treat more people is invariably a formidable task, even for programs and logistics systems that are functioning well. Mozambique, however, has an essential element on its side—the success it has had with donor coordination.

Donor coordination played an invaluable role in Mozambique's scale-up in 2006 from 34 to 143 treatment sites and from 19,000 to 44,100 patients on antiretroviral (ARV) drugs. To discover why Mozambique has been a step ahead in coordinating donors' efforts, one needs to look no further than the many years of strong leadership provided by Mozambique's Ministry of Health.

### Overview of Donor Aid to Mozambique

"We've come a long way," noted Humberto Cossa, regard-



### HIV/AIDS ESTIMATES IN MOZAMBIQUE

- 1,800,000 adults and children living with HIV
- 16.1 percent of 15- to 49-year-olds living with HIV
- 140,000 adults and children died as a result of AIDS in 2005

Source: 2006 Report on the global AIDS epidemic, UNAIDS/WHO, May 2006.

ing the development of donor coordination in Mozambique. Based in the capital city of Maputo, Cossa, who is a Senior Health Specialist with the World Bank and former National Director of Health, was recalling the decade of civil conflict that ended in 1992.

Since then, Mozambique has been looked upon favorably by the international development community—donors see Mozambique as a country that gives them a good return for the aid they invest there. Although Mozambique has a high poverty level, it has experienced steady economic growth since the late 1980s. The drop in the amount of Official Development Assistance (ODA) Mozambique receives seems to support this notion. In 1992, ODA was more than 100 percent of the country's GNP, while by 2000 that figure had fallen to 25 percent.

The government of Mozambique has a long history of maintaining good relations with donors and international supporters from different ends of the political spectrum. The mid-1980s saw a shift in Mozambique from a socialist to a free-market economy—and, with it, a corresponding shift where socialist bloc nations were no longer the primary source of aid to the country. Despite political transformations and internal struggles, the government of Mozambique has maintained the sort of stability that keeps donors confident that progress will continue.

Because of an influx of new donors during its move toward capitalism, the Comissão Executiva Nacional de Emergência (National Emergency Executive Commission) was established in 1987 to help begin the process of donor coordination. All donors, including the US and the Soviet Union, participated in Commission meetings, setting a precedent whereby donors kept the lines of communication with the government of Mozambique open and adhered to government guidelines and policies. This process also saw the move away from emergency relief work and toward development and reconstruction.

Prior to this, development focused on investments and specific projects—recurrent costs were never the primary concern. Not until a particular donor, the Swiss Development Corporation, decided that recurrent costs needed to be addressed did real work begin in this regard. It was then that integrated planning exercises were introduced at the provincial level with the intention of improving the planning and budgeting capacity of the provinces.



Staff from the Ministry of Health and SCMS at the central warehouse in Mozambique inspect a box of antiretrovirals

## The Sector-Wide Approach to Programming (SWAP)

With the influx of external aid after the civil conflict, donor coordination became increasingly difficult. Among the problems that arose were the fragmentation of project financing, policy, and strategy. Rather than being part of a country-wide approach, donor aid was targeted at specific provinces. (As one former health minister explained, “I don’t want to be a minister of health *projects*. I want to be a *minister of health*.”) Furthermore, the fragmentation of the reporting system made precise planning much more difficult for the government.

The problem with a fragmented approach is that the big picture gets blurred. Also, because of the way projects are managed, administrative and management systems are duplicated, which creates some very serious problems.

In light of this, and as a national response to the HIV/AIDS epidemic, the government of Mozambique and its development partners established the National AIDS Council and the Sector Wide Approach to Programming (SWAP). Based on a costed strategic plan to improve coordination and delivery of health care by the sector, a SWAP is a program to coordinate planning and financing between the government and its many donors. Among other things, it coordinates efforts to improve infrastructure and develop human resources, and consolidates monies into one central funding mechanism.

Begun in 2000, the SWAP was developed by the government and its development partners to formulate goals, review performance, and negotiate future contributions, taking into account the capacity of the health system. Among the common principles, objectives, and working arrangements involved in the SWAP are—

- a health sector strategic plan, endorsed by all development partners, which includes a set of indicators to evaluate policy implementation and health sector progress;
- a code of conduct setting the basic rules of engagement for the Ministry of Health and its partners;
- a set of mechanisms and working arrangements that enable structured dialogue and consensus building between the Ministry of Health and development partners;
- a sector financing framework highlighting the expectations of the government; and
- a set of review mechanisms to evaluate progress and commitment to the objectives of the strategic plan.

The Global Fund to Fight AIDS, Tuberculosis and Malaria and other bilateral donors provide funds for the SWAP's Common Fund for Medicines with the Ministry of Health managing the procurement. The US President's Emergency Plan for AIDS Relief (PEPFAR) provides in-kind donations, a longstanding practice of the US government, rather than contributing to the fund. The World Bank reimburses the government for purchases made through the Common Fund.

"A sector wide approach," Cossa explained, "is highly desirable for a ministry of health. It forces people to have a common vision and to share that vision. And it also forced people and departments to coordinate better. That, for me, is one of the most important aspects of the sector wide approach. It's not only about funding, it's about a common *framework*, with the government and the development partners planning jointly so that you know who is doing what and where."

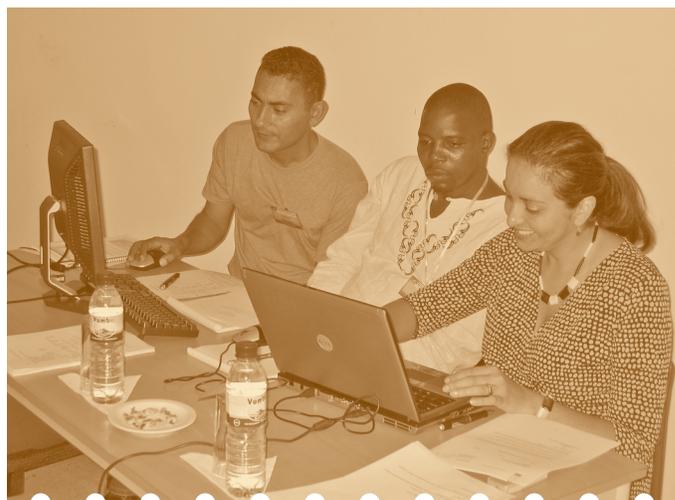
Working together, the donors can contribute to overall systems strengthening, including logistics, procurement, distribution and information management. The SWAP also provides increased flexibility for the Ministry of the Health, with roughly two-thirds of Mozambique's health budget unrestricted by earmarks.

## Taking Commodity Security to the Next Level

The scale-up of HIV/AIDS treatment in Mozambique will require an unprecedented degree of management and leadership from the Ministry of Health, and collaboration and coordination among all stakeholders. Mozambique is one of six countries (including Ethiopia, Guyana, Haiti, Mozambique, Rwanda, and Vietnam) that are the focus of a major initiative by the World Bank, the Global Fund and the US government to coordinate national-level procurement plans and other supply chain management functions for HIV/AIDS programs. Mozambique is one of the countries with the most advanced existing coordination mechanisms in place.

One example of coordination in action is the planning and procurement process for commodities to support HIV/AIDS programs. The Central de Medicamentos e Artigos Medicos (CMAM)—the Ministry of Health department responsible for overall supply chain management of medicines and consumables for the country—is responsible for the quantification and supply planning of essential drugs which are financed by the Common Fund. Based on the estimated need and resources available, CMAM procures the necessary items according to established procurement guidelines, providing financial reports to the Common Fund members.

For ARVs, HIV test kits, condoms and other US government-supported items, PEPFAR, Clinton Foundation and UNFPA conduct joint quantification and supply planning with CMAM to ensure there are no gaps that could result in possible stockouts or duplications which could lead to expired or unused products.



Participants in a procurement planning training develop supply plans for HIV test kits

Although Mozambique has had a successful procurement and distribution system for ARV drugs, the scale-up process will present some definite challenges for human resources, management, and the adaptation of the existing ARV system. The government has recognized the key elements of the supply chain requiring strengthening and has requested support. The Supply Chain Management System (SCMS), a project funded by PEPFAR through USAID, is sharing its expertise to assist the government in developing and implementing national procurement plans for ARVs and HIV test kits. One of the first actions is to provide training on quantification, supply planning and procurement (see sidebar).

The next step will be the hiring of data entry staff for CMAM to manage the burden of data entry that scale-up requires. Building on the computerized integrated drug management system developed by the USAID-funded DELIVER Project, SCMS will roll out the system to provincial warehouses and also assist in the creation of a module to manage ARVs. SCMS plans to provide technical assistance to CMAM in procurement to strengthen their capacity to conduct procurement and enter into contracts that best meet their needs. SCMS is also providing CMAM with training in modern warehousing.

The government has expressed its willingness to elevate commodity security to the next level. These enhancements to the current logistics system will involve a much higher level of management, integration and coordination of programs than has been seen before.

### **Leadership from the Ministry of Health**

Thanks to the combined efforts of the government of Mozambique and its development partners, substantial progress has been made throughout Mozambique's National Health System. One constant in the area of strengthening donor coordination has been the initiative and leadership displayed by Mozambique's Ministry of Health.

"The discussions around the need to have a sector wide approach," Cossa explained, came about because the Ministry of Health wanted to take charge of the process. "They wanted to guide those discussions," he continued. "They provided the political backup and they also gave strategic direction."

Another example of the initiative taken by Mozambique was its decision to approach the Clinton Foundation, which began working there in 2002 to integrate this new donor

### **PLANNING TO ENSURE A CONTINUOUS SUPPLY OF MEDICINES FOR HIV/AIDS PROGRAMS**

Accurate supply plans are essential to determine which drugs—at what quantity and when—should be procured. SCMS conducted a training on supply chain monitoring and procurement planning in early 2007 for staff of the Ministry of Health and partner organizations. Participants were trained in the software program PipeLine and later used the tool to update the country's supply plan for ARVs, and plan all remaining shipments for 2007, 2008 and 2009. The exercise also helped SCMS coordinate with the MOH and Clinton Foundation to phase in the supply of ARVs to be donated by UNITAID to the national program. Quarterly quantifications updates will provide essential financial data to all the donors on the trends in the growth of the treatment program that will help inform need for the next two years. This information can be used to mobilize financial resources to continue to fund treatment, both through contributions to the Common Fund and through in-kind donations.

into the country's plan. Now the Clinton Foundation, SCMS and CMAM work closely together on the supply planning for ARVs that is part of the overall coordination process in Mozambique. Developing a coordinated plan is just part of the process; it also includes routine updating, approval, implementing the plan and adjusting it as necessary. CMAM signs off on the joint plan before presenting it to the Minister of Health.

"The last minister, Fransisco Ferreira Songane, played a very prominent role with donor coordination," Cossa maintained. "And the new minister, Paulo Ivo Garrido, has also taken charge of our relationship with the donors." The progress that has been made, Cossa believes, is the result of everyone in the ministry coming to a joint understanding.

"At the beginning, people thought that what we need is for donors to agree to give us money and that's it. And then we'll do everything," he recalled. "Everyone had to come to the understanding that this goes hand in hand with good policy strategy, good plans, clear priorities, that you have to engage the donors in a dialogue. Now, my hope is that things will continue to improve, and I have many reasons to believe this will happen."

For many years now, Mozambique has been looked upon in the donor community as a success story. Donors have invested a substantial amount of resources in HIV/AIDS treatment as well as in other areas of development. In response, the government of Mozambique has shown that it is willing to take the necessary steps to confront their country's public health challenges. With continued strong leadership in-country, and continued progress with donor coordination, Mozambique should retain its status as a good investment for international development.

## ABOUT SCMS

The Supply Chain Management System (SCMS) was established to collaborate with in-country and global partners to ensure a reliable, cost-effective and secure supply of high-quality medicines and health products for HIV/AIDS prevention, care and treatment. SCMS is funded as part of the US President's Emergency Plan for AIDS Relief through the US Agency for International Development. Visit [www.scms.pfscm.org](http://www.scms.pfscm.org) or write to [scmsinfo@pfscm.org](mailto:scmsinfo@pfscm.org) for more information.

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